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Harkin Outlines Stimulus Effect on Iowa

By Daren Sukhram

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WASHINGTON, DC – Senator Tom Harkin (D-IA) announced Tuesday that Iowa stands to benefit from thousands of new jobs, modernized schools, college grants, and extended unemployment benefits for Iowans out of work, in the economic recovery package that President Obama signed today.

The following figures represent funding that can come to Iowa through various programs. These dollar amounts do not include funding that will come in the form of competitive grants and other non-formula allocations.

Job-Creating Investments

The economic recovery package will create or save 3.5 million good paying jobs nationally over the next two years, more than 90 percent of which will be in the private sector. According to the White House, approximately 37,000 of these jobs will be in Iowa.

“We have got to get Iowans back to work quickly and this plan will do just that,” said Harkin. “These investments will rebuild our state and create the good-paying jobs that we need to turn our economy around.”

- \$24.5 million through the Drinking Water State Revolving Fund to address the backlog of drinking water infrastructure needs
- \$53.9 million through the Clean Water State Revolving Fund to address the backlog of clean water infrastructure needs
- \$358.2 million in Highway Funding to be used on activities eligible under the Federal-aid

Highway Program's Surface Transportation Program and could also include rail and port infrastructure activities at the discretion of the states

- \$36.5 million in Transit Formula Funding for investments in mass transit
- \$7.7 million through the Public Housing Capital Fund to enable local public housing agencies to address a national \$32 billion backlog in capital needs – especially those improving energy efficiency in aging developments
- \$19.3 million in HOME Funding to enable state and local government, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families
- \$16.8 million through the Homelessness Prevention Fund to be used for short or medium-term rental assistance, first and last month's rental payment, or utility payments. Most of this funding will go directly into the economy of local communities, as the funds will be used to pay housing and other associated costs in the private market
- Funding was also included for bridges – consistent with the Truman-Hobbs Act– that could be used to repair and rebuild the Burlington Northern Bridges in Burlington and Fort Madison

Education and Training

"The bill President Obama signed today has enough resources to modernize 412 Iowa schools so that our kids have the labs, classrooms, and libraries they need to compete in the 21st century economy," said Harkin. "It also includes dollars to ensure more Iowans can get a college education with new funding for Pell Grants."

"Too many Iowa families have seen their jobs disappear and are looking at opportunities that don't match their skill sets," Harkin continued. "Our bill invests in those workers by re-training them in new and expanding fields."

- \$386.3 million through the State Fiscal Stabilization Fund to local school districts and public colleges and universities in addition to incentive grants as a reward for meeting key education performance measures and additional funding for other high priority needs such as public safety and other critical services, which may include education
- \$122.1 million for Special Education Part B State Grants to help improve educational outcomes for individuals with disabilities, raising the federal contribution to nearly 40 percent, the level established when the law was authorized more than 30 years ago
- \$3.2 million in education technology funds to purchase up-to-date computers and software and provide professional development to ensure the technology is used effectively in the classroom
- \$65.6 million for Title I Education for the Disadvantaged to help close the achievement gap and enable disadvantaged students to reach their potential
- \$3.9 million in State Employment Service Grants to match unemployed individuals to job openings through state employment service agencies and allow Iowa to provide customized reemployment services
- \$6.3 million in Dislocated Workers State Grants, particularly for grants that support immediate strategies for regions and communities to meet their need for skilled workers, as well as longer-term plans to build targeted industry clusters with better training and a more

productive workforce

- \$1.6 million for Department of Labor's Adult State Grants
- \$5.2 million for Department of Labor's Youth State Grants
- \$5.4 million for Vocational Rehabilitation to help individuals with disabilities prepare for and sustain gainful employment

Energy Efficiency

"Iowans know better than anyone that when we invest in clean energy we see economic ripples through communities of all sizes," said Harkin. "These resources will make our building more energy efficient, which helps our environment and also saves money."

- \$40.7 million through the State Energy Program
- \$82.8 million through the Weatherization Assistance Program

Protecting Vulnerable Iowans

"The effects of our struggling economy can be seen in nearly every neighborhood. Iowa families are hurting and they deserve a hand up," said Harkin. "Funding for these programs will provide immediate relief for Iowa kids and families who find themselves struggling to put food on the table or a roof over their head."

- \$1.2 million for National School Lunch Program Equipment Assistance
- \$776,351 through the Emergency Food Assistance Program
- \$169 million in Supplemental Nutrition Assistance Program benefits (formerly Food Stamps)
- \$638,641 for the Emergency Food and Shelter Program, which provides grants to nonprofit and faith-based organizations at the local level to supplement their programs for emergency food and shelter to provide for the immediate needs of the homeless
- \$18.1 million in Child Care and Development Block Grants to provide quality child care services for in low-income families who increasingly are unable to afford the high cost of day care
- \$5.3 million for Head Start to allow additional children to participate in this program which provides development, educational, health, nutritional, social and other activities that prepare children to succeed in school
- \$10.9 million in Community Services Block Grants to local community action agencies for services to the growing numbers of low-income families hurt by the economic crisis, such as housing and mortgage counseling, jobs skills training, food pantry assistance, as well as benefits outreach and enrollment
- \$440,895 for Senior Meals Programs to help senior meals programs cope with steep increases in food and fuel costs. Many programs are reducing meal deliveries to seniors or closing meal sites

Law Enforcement

"We cannot afford to take any steps backward in the war on crime and drugs. These dollars will ensure that communities won't need to lay off the police officers and drug agents who are working on the front lines of this effort," said Harkin.

- \$18.7 million in Byrne/JAG grants to support law enforcement efforts
- \$1 million in Internet Crimes Against Children Grants to help law enforcement agencies enhance their investigative response to offenders who use the Internet, online communication systems, or other computer technology to sexually exploit children
- \$2 million in Violence Against Women Grants for victim services programs to improve the criminal justice system's response to violent crimes against women and to assist victims of domestic violence, dating violence, sexual assault and stalking who are in need of transitional housing, short-term housing assistance, and related support services

Extended Unemployment Insurance

"Many Iowans are getting dangerously close to losing their unemployment benefits after a forced lay off. Our package will give more than 200,000 Iowa families the ability to pay their bills while they look for work," said Harkin.

- Unemployment in Iowa stood at 4.6 percent in December 2008. The Department of Labor estimates that Iowa could receive \$71.3 million in new funding if Iowa fully enacts the UI modernization incentives that the legislation would provide. According to the National Employment Law Project, this means that an additional \$100 in unemployment insurance benefits will be offered to approximately 212,000 workers who have lost their jobs in this recession.

Tax Relief for Iowa Families and Small Businesses

"We have provided tax relief to working families and small businesses that are the job-creating engines of our economy," said Harkin.

According to the White House and Senate Committee on Finance, the following are examples of tax provisions in the American Recovery and Reinvestment Act of 2009 that will help Iowa businesses and families to create jobs and get Iowa's economy moving:

- Up to \$400 for workers (or \$800 for married couples) in the new Making Work Pay Tax Credit for 1.2 million workers and their families
- \$250 to Social Security beneficiaries, SSI recipients, and disabled veterans
- \$2,500 for 25,000 additional families in Iowa that will qualify for the new American Opportunity Tax Credit that makes college more affordable for 3.8 million families nationwide
- Extended and increased Homebuyer Tax Credit to both help aspiring homeowners and stabilize plummeting home prices
- Extended Bonus Depreciation and Small Business Expensing through 2009, allowing businesses that make capital investments to immediately deduct one-half the cost. Small businesses can immediately deduct 100 percent of the cost of these investments
- The American Recovery and Reinvestment Act of 2009 would protect over 26 million working families across the nation from the Alternative Minimum Tax, representing thousands of dollars in additional income taxes. According to the Congressional Research Service, 146,000 Iowans would be protected from the Alternative Minimum Tax in 2009.

*Note that this press release provides estimates of highlights of the American Recovery and Reinvestment Act of 2009. It is not a complete listing of all the benefits for Iowa in the economic recovery package.

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